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Control: 17717
Rec'd: MAY 27, 1961 12:01 PM

FROM: ACCRA (VIA POUCH)

TO: Secretary of State

NO: UNNUMBERED, MAY 23, 1961

DEPARTMENT OF STATE A/GDC MAY 1982

[redacted] STRONG ATTEMPT HAS BEEN MADE BY [redacted] NEGOTIATING AGENT FOR IMPRESIT CONSORTIUM WHICH WAS SUCCESSFUL BIDDER ON AKOSOMBO DAM PROJECT, TO PERSUADE GOGHANA TO WITHDRAW PUBLIC INVITATION FOR COMPETITIVE BIDDING ON POWER STATION AND AWARD THIS BE NEGOTIATION TO CONSORTIUM HEADED BY BROWN BOVARI [redacted]

FEARING THAT NEGOTIATED CONTRACT WOULD (1) INCREASE COST OF PROJECT, (2) POSSIBLY PROVIDE OPPORTUNITY FOR GRAFT AND (3) GIVE GHANAIAN POLITICIANS UNFAVORABLE IMPRESSION WESTERN BUSINESS ETHICS, [redacted] ALERTED KAISER ENGINEERS, CONSULTING ENGINEERS ON WHOLE PROJECT. EDGAR KAISER THEN CABLED NKRUMAH POINTING OUT DISADVANTAGES OF PROPOSAL TO GHANA IN STRONGEST POSSIBLE TERMS. AS RESULT OF CABLE, NKRUMAH HAS OVERRULED HIS MINISTERS AND INSISTED THAT POWER STATION AND TRANSMISSION LINES BE CONTRACTED ON COMPETITIVE BASIS. [redacted] EXPRESSED FEAR, HOWEVER, [redacted] MAY STILL ATTEMPT TO REVIVE PROPOSAL.

[redacted] AND KAISER WOULD BE STRENGHTENED IF WORLD BANK WOULD FIND OCCASION TO REMIND GHANA NEGOTIATING TEAM DUE WASHINGTON MAY 25 THAT BANK NORMALLY INSISTS ON INTERNATIONAL COMPETITIVE BIDDING ON PROJECT OF THIS NATURE.

RUSSELL

BHH

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